



State Board of Equalization

News Release

Chairwoman Betty T. Yee

1st District – San Francisco

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California Taxable Sales Declined 15% in 3Q09

Year-Over-Year Decline in Quarterly Taxable Sales Continues for Ninth Consecutive Quarter

Betty T. Yee, Chairwoman of the Board of Equalization (BOE), announced today that taxable sales in California declined 15 percent in the third quarter of 2009 when compared to the same quarter of the previous year.

“Taxable sales in California last year continued an unprecedented decline as retail sales mirrored the nationwide recession,” said Chairwoman Yee. “Consumer spending fell as Californians experienced a crisis in jobs and housing.”

Taxable sales in California totaled \$115.5 billion during the third quarter of 2009, a drop of \$20.4 billion (or 15 percent) from the third quarter of 2008. The year-over-year decline in quarterly taxable sales continued for the ninth consecutive quarter. However, the decline was not as steep as the previous quarter, when taxable sales dropped 19 percent on a year-over-year basis.

In the nine-county San Francisco Bay Area, third quarter 2009 taxable sales dropped 14.5 percent, slightly better than the 15 percent statewide drop for the third quarter, and not as steep as the 18.9 percent decline in the Bay Area in the second quarter last year.

Taxable sales in most counties in the First Equalization District declined in the third quarter 2009 on a year-over-year basis: Napa (-17.2%), Yolo (-17%), Mendocino (-15.6%), San Luis Obispo (-16.6%), San Francisco (-16.5%), Sonoma (-16.2%), Alameda (-15.6%), Santa Clara (-14.6%), Santa Barbara (-14.6%), San Mateo (-14.4%), San Benito (-13.8%), Monterey (-13.6%), Santa Cruz (-13.6%), Del Norte (-12.5%), Marin (-11.8%), Solano (-11.2%), Contra Costa (-10.6%), Humboldt (-8.6%), and Trinity (-5.5%). Conversely, taxable sales in Colusa County increased 31.3 percent.

Taxable sales declined in the Bay Area’s major cities last year in the third quarter: Oakland declined 20.4 percent, San Francisco declined 16.5 percent, and San Jose declined 16.0 percent. Conversely, the Cities of San Juan Bautista and Blue Lake posted increases of more than 30 percent.

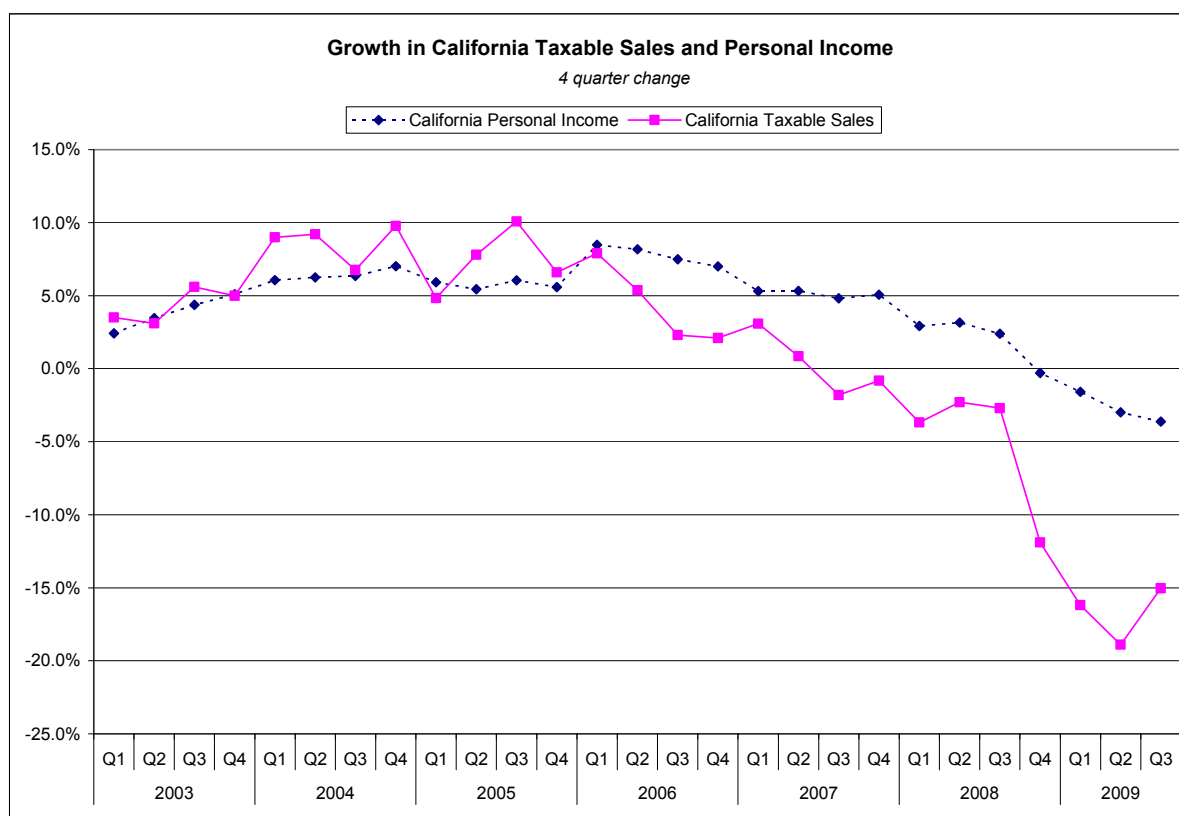
In constant dollar terms, taxable sales decreased by 11.7 percent over the same quarter a year ago. The California Taxable Sales Deflator declined by 3.8 percent for the third quarter of 2009. In comparison, the California Consumer Price Index (CPI) declined 1.0 percent.

View all Taxable Sales in California for the Third Quarter of 2009 here:
www.boe.ca.gov/news/tsalescont09.htm

Taxable Sales in California is a quarterly report on retail sales activity in California, as measured by transactions subject to sales and use tax. It includes data about statewide taxable sales by type of business, as well as data about taxable sales in all California cities and counties from the first quarter of 2000 through the third quarter of 2009, and can be viewed on the BOE website at: www.boe.ca.gov/news/tsalescont.htm.

Note: In early 2007, the California State Board of Equalization began a process of converting business codes of sales and use tax permit holders to North American Industry Classification System (NAICS) codes. This process is now complete; over one million permit holders were converted from the previous business coding system to the NAICS codes. Beginning in 2009, our reports summarize taxable sales and permits using the NAICS codes. As a result of the coding change, however, industry-level data for 2009 are not comparable to that of prior years. Therefore, we will not publish year-over-year percentage changes by industry until 2010.

Editor's Note: Please see attached chart comparing California taxable sales and personal income from the first quarter of 2003 through the third quarter of 2009.



Chairwoman Betty T. Yee was elected to her post in November 2006. Her district includes many of California's coastal counties, from Del Norte to Santa Barbara, and includes the entire San Francisco Bay Area.

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$48 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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